

AMENDED IN SENATE JUNE 14, 2004
AMENDED IN SENATE JULY 10, 2003
AMENDED IN SENATE JUNE 27, 2003
AMENDED IN ASSEMBLY MAY 8, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 426

**Introduced by Assembly Member ~~Richman~~ Members Cox and
Richman**
*(Coauthors: Assembly Members Cogdill, Dutton, La Malfa, Leslie,
Nakanishi, and Wolk)*
(Coauthors: Senators Aanestad, McPherson, Morrow, and Oller)

February 14, 2003

An act to add Section 139 to the ~~Water Code~~, relating to the ~~State
Water Project~~; 9607.5 to the *Public Utilities Code*, relating to local
publicly owned electric utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 426, as amended, ~~Richman~~ Cox. ~~State Water Project: solar
panels~~ *Local publicly owned electric utilities: cost responsibility
surcharge.*

*Under existing law, the Public Utilities Commission has regulatory
authority over public utilities, including electrical corporations. Under
existing law, the commission has imposed a cost responsibility
surcharge on municipal departing load, as defined in commission
decisions. Existing law relative to electrical restructuring, with certain
exceptions, prohibits a local publicly owned electric utility from*

providing electric service to a retail customer of an electrical corporation unless the customer first confirms in writing an obligation to pay to the electrical corporation a nonbypassable generation-related transition charge established by the regulatory body for that electrical corporation.

This bill would prohibit the commission from imposing any cost responsibility surcharge on a customer of a local publicly owned electric utility when the customer's service location has not previously received service from an electrical corporation.

~~Under existing law, the Department of Water Resources operates the State Water Project.~~

~~This bill would require the department to establish a procedure to authorize private entities to lease space above appropriate conveyance facilities of the State Water Project for the purposes of installing solar panels and generating electricity from those panels. The bill would authorize the department to deny a lease request if the department determines that the proposed project would interfere with the operation of the State Water Project, as defined. The bill would require the department to include certain conditions in the leases. The bill would authorize the department to negotiate any level of compensation for an agreement for the installation of solar photovoltaic systems in accordance with the bill that is equal to, or greater than, the cost to the department to meet its obligations under the agreement.~~

Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1.—The Legislature finds and declares that it is in~~
- 2 *SECTION 1. Section 9607.5 is added to the Public Utilities*
- 3 *Code, to read:*
- 4 *9607.5. Notwithstanding any other law, the commission shall*
- 5 *not impose any cost responsibility surcharge on a customer of a*
- 6 *local publicly owned electric utility if the customer's service*
- 7 *location has not previously received service from an electrical*
- 8 *corporation.*
- 9 ~~the interest of the state to conserve resources and to promote~~
- 10 ~~projects that further that interest.~~
- 11 ~~SEC. 2.—Section 139 is added to the Water Code, to read:~~

1 ~~139. (a) The department shall establish a procedure to~~
2 ~~authorize private entities to lease space above appropriate~~
3 ~~conveyance facilities of the State Water Project for the purpose of~~
4 ~~installing solar panels and generating electricity from those panels.~~
5 ~~Upon request, the department shall evaluate proposals, or may~~
6 ~~enter into a contract to evaluate proposals, for installing solar~~
7 ~~photovoltaic systems. The cost of that evaluation shall be paid by~~
8 ~~the requester.~~

9 ~~(b) The department may deny a lease request if the department,~~
10 ~~after consulting in good faith with the applicant to resolve the~~
11 ~~department's concerns, nonetheless determines that the proposed~~
12 ~~project would interfere with the operation of the State Water~~
13 ~~Project. As used in this section, interference with the operation of~~
14 ~~the State Water Project includes, but is not limited to, all of the~~
15 ~~following:~~

16 ~~(1) Impairment of the department's ability to operate, maintain,~~
17 ~~or inspect the State Water Project.~~

18 ~~(2) Impairment of the department's ability to restore or~~
19 ~~rehabilitate the State Water Project beyond those actions~~
20 ~~associated with operations, maintenance, and inspection.~~

21 ~~(3) Impairment of the department's ability to respond to~~
22 ~~emergencies.~~

23 ~~(4) Creation of an unreasonable risk of subsidence in one or~~
24 ~~more sections of an aqueduct.~~

25 ~~(5) Creation of an unreasonable security risk for the State Water~~
26 ~~Project and safety risk to personnel.~~

27 ~~(6) Creation of an unreasonable risk to the quality of water~~
28 ~~stored in or conveyed through the State Water Project.~~

29 ~~(c) The department shall include, but is not limited to, the~~
30 ~~following conditions in a lease pursuant to this section:~~

31 ~~(1) The solar panels shall be intereconnected to the electric~~
32 ~~transmission grid in accordance with applicable rules, orders, or~~
33 ~~tariffs of the Public Utilities Commission.~~

34 ~~(2) If the Independent System Operator declares a Stage 3~~
35 ~~emergency regarding the electric system, the electricity generated~~
36 ~~from the solar panels may not be sold out of state.~~

37 ~~(d) For the purposes of carrying out subdivision (a), the~~
38 ~~department may negotiate any level of compensation for an~~
39 ~~agreement for the installation of solar photovoltaic systems in~~

- 1 ~~accordance with this section that is equal to, or greater than, the~~
- 2 ~~cost to the department to meet its obligations under the agreement.~~

O

